

# 12 Meeting Sustainable Development Goal 4 – A Case Study Of the Innovation Processes of Challenger Universities in Africa

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## Research Domains

International contexts and perspectives (ICP)

## Abstract

**Introduction.** Achieving Sustainable Development Goal 4 in Africa is hampered by several demographic, historical, and economic challenges in the incumbent Higher Education system. Recently, new disruptive innovators, so-called 'challenger universities' emerged. This paper explores and compares challenger universities' innovation processes to provide accessible, affordable, and quality Higher Education.

**Methodology.** A qualitative multiple case-study research design is applied. Unit of analysis are two challenger universities operating in Africa: Nexford University and the African Leadership University. Document analysis was used to collect data, and O'Leary's (2014) 'interview technique' was used to identify connections and differences between cases.

**Findings.** Five critical innovation practices were identified: financial innovation, the Hub and Spoke model, competency-based online education, a focus on employability, and the use of emerging technologies.

**Value:** Results offer insights into how to achieve SDG 4, and also add nuances to the innovation debate, which is dominantly situated in the Anglo-Saxon context

## Full paper

### Introduction

Sustainable Development Goal ('SDG') 4 outlines that by 2030 all women and men should have equal access to affordable and quality tertiary education, including university. Moreover, such education should "increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship" (United Nations, 2023a). This target specifically "emphasizes that higher education must be globally accessible to all and of high quality" (United Nations 2023b).

However, two key barriers prevent SDG 4 from being achieved in the context of Higher Education. Firstly, although student enrollment in tertiary education has grown substantially over the last decades, Africa has the lowest tertiary gross enrollment ratio globally. Existing universities in sub-Saharan Africa cannot absorb the growing demand (UNESCO, 2010), leaving millions of eligible students unable to enrol in incumbent institutions of Higher Education. Secondly, Africa's existing public higher education system is hampered by several political, cultural, historical, and economic challenges (Teferra and Altbach, 2004; Nyangau, 2014; Chipperfield, 2016; World Bank, 2017), such as overcrowded classrooms, rising student-teacher ratios, and deteriorating infrastructure (World Bank, 2017, p.46). Innovations are needed to address incongruities in the existing Higher Education system in Africa and achieve a further substantial increase in student enrollment set out in Africa's Agenda 2063 (African Union, 2023). However, there are many barriers to innovation in incumbent universities, which, while not change-averse, are slow to change (Cooley and Towers, 1996).

However, in recent years, new disruptive innovators in Higher Education, so-called challenger universities, are emerging and growing (Marcus, 2021; Barosevcic, 2020, 2020a). Challenger universities are “moderately to extremely innovative new institutions that offer a combination of new student experiences and unique outcomes propositions all the way through to highly targeted and tailored offers with huge potential for scale” (Barosevcic, 2020a).

This paper explores the innovation processes challenger universities apply to contribute to SDG 4. The research question posed is: *How are challenger universities innovating to provide accessible, affordable, and quality Higher Education that prepares graduates with the relevant skills for employment, decent jobs, and entrepreneurship?*

## **Methodology**

A qualitative multiple case study research design (Stake, 1995) is applied. Unit of analysis are two challenger universities operating in Africa: Nexford University and the African Leadership University. Document analysis was used to collect data, and O’Leary’s (2014) ‘interview technique’ was used to identify connections and differences between cases.

## **Findings**

Results suggest four key innovation practices. Firstly, to make Higher Education accessible and affordable, both universities are engaged in process innovation in the form of financial innovations, including innovative pricing structures and Income-Sharing-Agreements. Utilizing the Hub-and-Spoke model also substantially reduces per-unit costs. Rather than constituting incremental innovations to help students pay fees without altering the business model of the university, collective efforts implemented by both case universities constitute radical innovations, significantly changing how the universities deliver value to their students, i.e., how they provide affordable education at scale (Christensen, 1997; Du Plessis, 2007).

Secondly, to provide quality Higher Education, both case universities implement product innovations (competency-based online learning) and business model innovations (Hub-and-Spoke model). Competency-based learning answers the call for more career-oriented education (Mintz, 2022) and more flexible education (Mintz, 2022) because students can shape their educational experience either by influencing who and what they learn (ALU) or by choosing a specific future-oriented degree and deciding upon the speed of their study (NXU). The Hub-and-Spoke Model furthermore allows both universities to offer a student experience distinguishable from incumbent universities, address the many challenges inherent in delivering online education in Africa (Bayusuf et al., 2021), and encounter the shortage of Ph.D.-level educated lecturers (Aduda, 2016; Chipperfield, 2016; Chuks Mba, 2017; Nganga, 2010, 2017).

Thirdly, both universities significantly improve educational outcomes by embedding students’ career readiness and workplace competencies across the learning experience. As a result, while graduate employment rates remain low in most of Africa (Omolo, 2010; World Bank, 2017), 85 percent of ALU graduates are placed in jobs within six months of graduation, and 90 percent of NXU alumni achieve a 3-5x return on their investments.

Finally, utilizing new technologies constitutes the necessary infrastructure to establish affordable, scalable, quality education models.

## Value

Hence, by drawing upon emerging theories from innovation management and Higher Education (challenger universities), this paper contributes practical examples of managing disruptive innovations and theoretical suggestions for further study. It also adds geographic nuances to the innovation debate, which is dominantly situated in the Anglo-Saxon context. Finally, results also offer new, practical insights into how to provide affordable, accessible and quality Higher Education.

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